

CREW

citizens for responsibility
and ethics in washington

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November 18, 2015

Federal Election Commission
Office of Complaints Examination
and Legal Administration
Attn: Jeff Jordan, Supervisory Attorney
999 E Street, N.W.
Washington, D.C. 20463

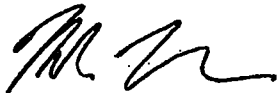
Re: MUR 6713/Amended Complaint

Dear Mr. Jordan:

Please find under cover of this letter an amended complaint in MUR 6713. We file an amended complaint to supplement the complainants provided in CREW's original complaint filed on January 8, 2013. In the almost three years during which CREW's complaint has been pending, CREW has experienced staff changes necessitating an update to the parties to the complaint. CREW submits this amended complaint to substitute me, CREW's current executive director, as a complainant for CREW's previous executive director, Melanie Sloan. Accordingly, the amended complaint includes new allegations specific to me (*see* Am. Compl. ¶¶ 1, 6, and conclusion), removes allegations specific to Ms. Sloan, and clarifies that the relief sought includes an order that respondents file with the FEC and make public appropriate disclosure reports. The exhibits to the amended complaint are identical to the exhibits to the original complaint and are incorporated therein, but, in the interest of not duplicating copies in the administrative record, CREW does not resubmit the exhibits.

Please further note that our address has changed. Please direct all future correspondence to the address below.

Sincerely,



Noah Bookbinder
Executive Director
Citizens for Responsibility and Ethics
in Washington
455 Massachusetts Ave., N.W.
Sixth Floor
Washington, D.C. 20001
(202) 408-5565 (phone)
(202) 588-5020 (fax)
nbookbinder@citizensforethics.org

Encl.

2015 NOV 18 PM 3:10

FEDERAL ELECTION COMMISSION
Office of General Counsel

FEDERAL ELECTION COMMISSION

In the matter of:

Sherry L. Huff
Carey Vaughn Brown
Account Pros, Inc.
Credit Protection Depot
Credit Payment Services
Energy Way Corp.
Republican Union PAC
James Harmon, personally and as
Treasurer, Republican Union PAC

MUR No. 6713

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AMENDED COMPLAINT

1. Citizens for Responsibility and Ethics in Washington ("CREW") and Noah Bookbinder bring this complaint before the Federal Election Commission ("FEC") seeking an immediate investigation and enforcement action against Sherry L. Huff, Carey Vaughn Brown, Account Pros, Inc., Credit Protection Depot, Credit Payment Services, Energy Way Corp., Republican Union PAC, and James Harmon, for direct and serious violations of the Federal Election Campaign Act ("FECA").

Complainants

2. Complainant CREW is a non-profit corporation, organized under section 501(c)(3) of the Internal Revenue Code. CREW is committed to protecting the right of citizens to be informed about the activities of government officials and to ensuring the integrity of government officials. CREW is dedicated to empowering citizens to have an influential voice in government decisions and in the governmental decision-making process. CREW uses a combination of research, litigation, and advocacy to advance its mission.

3. In furtherance of its mission, CREW seeks to expose unethical and illegal conduct of those involved in government. One way CREW does this is by educating citizens regarding

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the integrity of the electoral process and our system of government. Toward this end, CREW monitors the campaign finance activities of those who run for federal office and those who make expenditures to influence federal elections, and publicizes those who violate federal campaign finance laws through its website, press releases and other methods of distribution. CREW also files complaints with the FEC when it discovers violations of the FECA. Publicizing campaign finance violations and filing complaints with the FEC serves CREW's mission of keeping the public informed about individuals and entities that violate campaign finance laws and deterring future violations of campaign finance law.

4. In order to assess whether an individual or entity is complying with federal campaign finance law, CREW needs the information contained in independent expenditure disclosure reports political committees must file pursuant to the FECA, 2 U.S.C. §§ 434(a), (b); 11 C.F.R. §§ 104.1, 104.3. CREW is hindered in its programmatic activity when an individual or entity fails to disclose campaign finance information in reports required by the FECA.

5. CREW relies on the FEC's proper administration of the FECA's reporting requirements because the FECA-mandated disclosure reports are the only source of information CREW can use to determine if an individual or entity is complying with the FECA. The proper administration of the FECA's reporting requirements includes mandating that all disclosure reports required by the FECA are properly and timely filed with the FEC. CREW is hindered in its programmatic activity when the FEC fails to properly administer the FECA's reporting requirements.

6. Complainant Noah Bookbinder is the executive director of Citizens for Responsibility and Ethics in Washington. At all times relevant to the complaint, he has been and

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remains a citizen of the United States and a registered voter and resident of Maryland. As a registered voter, Mr. Bookbinder is entitled to receive information contained in disclosure reports required by the FECA, 2 U.S.C. § 434; 11 C.F.R. §§ 104.1, 104.3. Mr. Bookbinder is harmed when an individual, candidate, political committee or other entity fails to report campaign finance activity as required by the FECA. *See FEC v. Akins*, 524 U.S. 11, 19 (1998), *quoting Buckley v. Valeo*, 424 U.S. 1, 66-67 (1976) (political committees must disclose contributors and disbursements to help voters understand who provides which candidates with financial support). Mr. Bookbinder is further harmed when the FEC fails to properly administer the FECA's reporting requirements, limiting his ability to review campaign finance information.

Respondents

7. Sherry L. Huff is or was an employee or officer of several companies, including Account Pros, Inc., Credit Protection Depot, Credit Payment Services, and Energy Way Corp.

8. Carey Vaughn Brown owns or controls several companies, including Account Pros, Inc., Credit Protection Depot, Credit Payment Services, and Energy Way Corp.

9. Republican Union PAC is a independent expenditure-only political committee registered with the FEC.

10. James Harmon is the treasurer of Republican Union PAC.

Factual allegations

11. On July 19, 2012, Sherry L. Huff contributed \$1 million to the Republican Union PAC. *See* Republican Union PAC, FEC Form 3X, October Quarterly Report, October 15, 2012, Ms. Huff has never made any other federal political contributions or, on information and belief, any state political contributions. Federal Election Commission, Individual Contribution Search

for S. Huff, December 14, 2012; National Institute on Money in State Politics, Search for Sherry Huff, December 14, 2012.

12. On information and belief, Ms. Huff was not the true source of the money used to made the contribution. Ms. Huff does not appear to have the assets to make a \$1 million contribution. She is, however, an employee or officer of several companies owned or controlled by Carey Vaughn Brown. Mr. Brown controls an "Internet payday loan empire" that, according to his former employees, generates hundreds of millions of dollars a year in loan revenue. Ellis Smith, Local Companies Tied To Offshore Payday Lenders, *Chattanooga Times Free Press*, December 18, 2011 (attached as Exhibit A).

13. According to the report Republican Union PAC filed with the FEC disclosing Ms. Huff's contribution, Ms. Huff's address is 500 Thomas Drive, Rossville, GA. See Republican Union PAC, FEC Form 5, October Quarterly Report, October 15, 2012. Ms. Huff is registered to vote at that address. See State of Georgia, My Voter Page for Sherry Lynn Huff (attached as Exhibit B).

14. Ms. Huff owns the property located at 500 Thomas Drive. See Catoosa County Board of Assessors, Owner and Parcel Information page for 500 Thomas Drive (attached as Exhibit C). The value of the property for the 2012 tax year was \$50,398. *Id.*

15. Ms. Huff also is listed as the owner of the property located at Rossville, GA. See Catoosa County Board of Assessors, Owner and Parcel Information page for (attached as Exhibit D). The value of this property for the 2012 tax year was \$76,537. *Id.*

16. The FEC report filed by the Republican Union PAC states the name of Ms. Huff's employer as "Account Pros Inc./CPD" and her occupation as "Business Woman." See Republican Union PAC, FEC Form 5, October Quarterly Report, October 15, 2012.

17. Account Pros, Inc. is registered in Nevada but appears to be located in Chattanooga, TN. See Nevada Secretary of State, Nevada Business Search, Account Pros, Inc. (attached as Exhibit E). Ms. Huff is the treasurer and secretary of Account Pros, Inc., and is a director. *Id.*

18. On information and belief, CPD is an abbreviation for Credit Protection Depot. Credit Protection Depot is registered in Nevada but has an office and employees in Chattanooga, TN. Nevada Secretary of State, Nevada Business Search, Credit Protection Depot, Inc. (attached as Exhibit F); *Electroweb Media, Inc. v. Mycashnow.com, Inc.*, No. 02-CV-133 (E.D. Tenn.), Deposition of Carey Brown, February 15, 2005 ("Brown Deposition"), at 24, 29, 32-33 (excerpts attached as Exhibit G). Ms. Huff's position with Credit Protection Depot is unclear, but in 2010 she responded to an inquiry from the Tennessee Consumer Affairs Division on behalf the company, asserting the company is "a legitimate business incorporated in Nevada" and "not a theft ring." Ellis Smith, What's a Payday Loan, *Chattanooga Times Free Press*, December 18, 2011 (attached as Exhibit H).

19. Account Pros, Inc. and Credit Protection Depot are two of more than 20 companies associated with Mr. Brown. Smith, Local Companies Tied To Offshore Payday Lenders, *Chattanooga Times Free Press*, Dec. 18, 2011. Many of these companies are shell corporations - some set up overseas - to protect them and Mr. Brown from lawsuits and to reduce taxes. *Id.* Several of these companies are or were subject to a Federal Trade Commission

investigation, and California, Oregon, and New Hampshire have issued cease-and-desist orders to several of the companies. *Id.*

20. One of the central entities in this web of companies is Credit Payment Services. According to a deposition Mr. Brown gave in 2005, Credit Payment Services is behind several offshore shell corporations set up to administer payday loans. Brown Deposition at 9-10, 22-24, 41-43.

21. Mr. Brown testified Ms. Huff was an employee of Credit Payment Services, describing her first as a bookkeeper, then as the company's chief financial officer. Brown Deposition at 37-38, 50. For example, Ms. Huff did the "initial work" on preparing the company's tax returns, but an accountant handled the rest of it before filing. *Id.* at 37.

22. Mr. Brown also testified Ms. Huff had the authority to sign checks for Credit Payment Services's bank accounts in Tennessee and Nevada. *Id.* at 50. Ms. Huff, Mr. Brown testified, "handles the money." *Id.* Other than Ms. Huff, only Mr. Brown and possibly one other employee have this authority. *Id.*

23. Ms. Huff also is or was the secretary and chief financial officer for the Energy Way Corp. See Georgia Secretary of State, Business Name History, Energy Way Corporation (attached as Exhibit I). Mr. Brown was described as the owner of Energy Way Corp. in a recent news report. Ellis Smith, Hilltop Denies Duplex, *Chattanooga Times Free Press*, November 13, 2012 (attached as Exhibit J).

24. While Ms. Huff has not made any other political contributions, Mr. Brown has. Recipients of Mr. Brown's contributions include the campaigns of Sen. Robert Corker (R-TN), Rep. Tom Graves (R-GA), former Rep. Zach Wamp (R-TN), House candidate Weston Wamp

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(R-TN), Senate candidate Tony Perkins (R-LA), gubernatorial candidate Roy Moore (R-AL), and gubernatorial candidate Van Hilleary (R-TN), as well as the Republican National Committee, the National Republican Senatorial Committee, the National Republican Congressional Committee, Mike Huckabee for President, the Fred Thompson Political Action Committee, and Bauer for President 2000 Inc. See Federal Election Commission, Individual Contribution Search for Carey Brown, December 14, 2012; National Institute on Money in State Politics, Search for Carey Brown, December 14, 2012.

25. Other than Ms. Huff's \$1 million contribution, the Republican Union PAC has only received one other contribution, for \$500 made by Gary Bohannon of Rancho Cucamonga, CA. See Republican Union PAC, FEC Form 3X, Post-General Election Report, December 6, 2012; Republican Union PAC, FEC Form 3X, October Quarterly Report, October 15, 2012. On information and belief, the \$1 million contribution appears to have been solicited by the Republican Union PAC. Twitter messages posted by the group on August 1, 2012 thank individuals or entities called "Tea Party 1" or "@NEWT POTUS" for "playing a part in our recent 1 MIL single contribution!" and thank both "the patriotic & generous donor who gave 1 MIL for our mission in 5 swing states" and unnamed "Tweeps for your part in this!" See Republican Union PAC, Twitter messages posted August 1, 2012 (attached as Exhibit K).

26. The Republican Union PAC used most of the contributed money to buy billboards in Florida, Michigan, Ohio, Pennsylvania, and Virginia attacking President Obama for supporting same-sex marriage and urging voters to vote Republican. Gregory Giroux, New Republican Super-PAC Aids Swing-State Political Organizing, *Bloomberg*, August 2, 2012 (attached as

Exhibit L); Randy Lobasso, The GOP Fights a Losing Battle in PA, *Philadelphia Weekly*, September 19, 2012 (attached as Exhibit M).

Count I

27. The FECA and FEC regulations prohibit making a contribution in the name of another person and knowingly permitting one's name to be used to effect a contribution in the name of another person. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b).

28. On information and belief, Ms. Huff knowingly permitted her name to be used to make a contribution in the name of Mr. Brown, Account Pros, Inc., Credit Protection Depot, Credit Payment Services, Energy Way Corp., or another company in violation of 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b). If Ms. Huff knowingly and willfully violated the law, her conduct is subject to criminal penalties and should be referred to the Department of Justice for investigation. 2 U.S.C. §§ 437(g)(a)(5)(C), 437g(d)(1).

Count II

29. The FECA and FEC regulations prohibit making a contribution in the name of another person and knowingly permitting one's name to be used to effect a contribution in the name of another person. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b).

30. On information and belief, Mr. Brown, Account Pros, Inc., Credit Protection Depot, Credit Payment Services, Energy Way Corp., or another company Mr. Brown owns or controls made a contribution in Ms. Huff's name in violation of 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b). If, as it appears, this violation was knowing and willful, it is subject to criminal penalties and should be referred to the Department of Justice for investigation. 2 U.S.C. §§ 437(g)(a)(5)(C), 437g(d)(1).

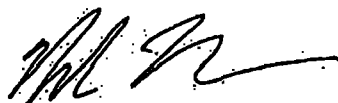
Count III

31. The FECA and FEC regulations also prohibit knowingly accepting a contribution made by one person in the name of another person. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b).

32. On information and belief, the Republican Union PAC and Mr. Harmon knowingly accepted a contribution made by Mr. Brown or one of the companies he owns or controls in Ms. Huff's name in violation of 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b). If, as it appears, this violation was knowing and willful, it is subject to criminal penalties and should be referred to the Department of Justice. 2 U.S.C. §§ 437(g)(a)(5)(C), 437g(d)(1).

Conclusion

WHEREFORE, Citizens for Responsibility and Ethics in Washington and Noah Bookbinder request that the FEC conduct an investigation into these allegations, declare the respondents to have violated the FECA and applicable FEC regulations, and order respondents to correct these violations by amending the Republican Union PAC's disclosures to identify and make public the source(s) of the contribution to the PAC. In addition, respondents request that the FEC impose sanctions appropriate to these violations and take such further action as may be appropriate, including referring this case to the Department of Justice for criminal prosecution.



ON BEHALF OF COMPLAINANTS

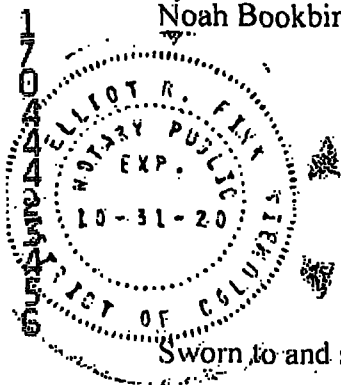
Noah Bookbinder
Executive Director
Citizens for Responsibility and Ethics in
Washington
455 Massachusetts Ave. N.W., Sixth Floor
Washington, D.C. 20001
(202) 408-5565 (phone)
(202) 588-5020 (fax)

Verification

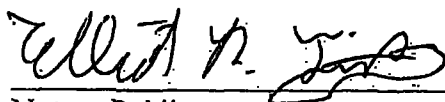
Citizens for Responsibility and Ethics in Washington and Noah Bookbinder hereby verify that the statements made in the attached Complaint are, upon information and belief, true. Sworn pursuant to 18 U.S.C. § 1001.



Noah Bookbinder



Sworn to and subscribed before me this 18th day of November, 2015.



Notary Public